

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CIAE-00

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2848

INFO USMISSION GENEVA

AMEMBASSY LONDON

USDEL MTN GENEVA

AMCONSUL MONTREAL

ALL OTHER AMCONSULS CANADA (BY POUCH)

UNCLAS OTTAWA 01732

LONDON FOR US TEXTILE DELEGATION

E.O.11652:N/A

TAGS: ETRD, CA

SUBJECT: TEXTILE AND CLOTHING BOARD REPORT--SHEETS AND
PILLOWCASES

REF: OTTAWA 524, FEBRUARY 10 (NOTAL)

1. FOLLOWING IS TEXT OF INDUSTRY, TRADE AND COMMERCE (ITC)
NEWS RELEASE OF MARCH 11 WITH RESPECT TO SUBJECT REPORT:

2. BEGIN QUOTE. INDUSTRY, TRADE AND COMMERCE MINISTER
JEAN CHRETIEN TODAY ANNOUNCED MEASURES THE GOVERNMENT
IS TAKING AS A RESULT OF THE REPORT OF THE TEXTILE AND
CLOTHING BOARD RESPECTING SHEETS AND PILLOWCASES. THE
REPORT WAS TABLED EARLIER IN THE HOUSE.

THE BOARD REPORT STATES THAT IMPORTS OF SHEETS AND
PILLOWCASES FROM THE PRINCIPAL LOW-COST SUPPLIERS
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INCREASED SHARPLY IN BOTH 1975 AND 1976 AT PRICES
SUBSTANTIALLY BELOW THOSE OF COMPARABLE CANADIAN PRODUCTS.
THE BOARD NOTED THAT DOMESTIC PRODUCERS HAD RECENTLY
MADE MAJOR INVESTMENTS IN MODERN EQUIPMENT AND FACILITIES
TO MEET THE GROWING DEMANDS OF THE MARKET PARTICULARLY
IN THE VERY POPULAR POLYESTER/COTTON PRODUCTS. IMPORTS,
IF NOT RESTRAINED, COULD SERIOUSLY IMPEDE THE RECENT

PROGRESS MADE BY DOMESTIC PRODUCERS AND FURTHER AFFECT EMPLOYMENT STABILITY IN THE INDUSTRY. THE BOARD CONCLUDED THAT SHEETS AND PILLOWCASES IMPORTED INTO CANADA FROM CERTAIN LOW-COST SOURCES WERE CAUSING OR THREATENING SERIOUS INJURY TO PRODUCTION AND EMPLOYMENT IN CANADA AND RECOMMENDED THAT THE VOLUME OF IMPORTS OF SHEETS FROM HONG KONG, PEOPLE'S REPUBLIC OF CHINA, POLAND AND TAIWAN NOT EXCEED 2.3 MILLION UNITS DURING 1977 AND THE VOLUME OF IMPORTS OF PILLOWCASES FROM PEOPLE'S REPUBLIC OF CHINA AND TAIWAN NOT EXCEED 375,000 DOZEN.

ACCEPTING THE FINDINGS OF THE BOARD, MR. CHRETIEN ANNOUNCED THAT BILATERAL EXPORT RESTRAINT ARRANGEMENTS FOR A PERIOD OF THREE YEARS WILL BE SOUGHT WITH HONG KONG, THE PEOPLE'S REPUBLIC OF CHINA, POLAND AND TAIWAN WITH RESPECT TO SHEETS AND WITH THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN WITH RESPECT TO PILLOWCASES. IN ADDITION, SURVEILLANCE WILL BE MAINTAINED ON THE IMPORTATION OF SHEETS FROM INDIA AND PILLOWCASES FROM POLAND AND ROMANIA THROUGH USE OF THE IMPORT CONTROL LIST. END QUOTE.

3. ARTICLE IN MONTREAL GAZETTE, 3/12/77, RELATING TO REPORT INCLUDED STATEMENT THAT CANADIAN TEXTILES INSTITUTE (CTI) HAS ALLEGED THAT U.S. GOODS ARE BEING DUMPED, AND HAS ASKED REVENUE CANADA TO INVESTIGATE. STATEMENT DISCUSSED WITH OFFICIAL IN IMPORT ANALYSIS DIVISION, ITC, WHO SAID COMMENT WAS TAKEN FROM SUBMISSION UNCLASSIFIED

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OF CTI TO THE TEXTILE AND CLOTHING BOARD. HE WENT ON TO SAY, "IN THE REPORT OF THE BOARD IT STATES THAT THE INSTITUTE ALSO NOTED THAT WITHIN THE SPACE OF TWO YEARS, LOW-COST IMPORTS HAD INCREASED DRAMATICALLY AS HAD IMPORTS FROM THE U.S. AT PRICES NOT CONSISTENT WITH COST ELEMENTS. ... THE VALUE FOR DUTY OF SHEETS IMPORTED FROM THE UNITED STATES TRADITIONALLY HAS BEEN THE HIGHEST OF ALL MAJOR SUPPLIERS TO THE CANADIAN MARKET. RECENTLY, HOWEVER, CANADIAN MANUFACTURERS HAVE BECOME VERY CONCERNED AT THE PRICES AT WHICH SHEETS ARE ENTERING CANADA FROM THE UNITED STATES. IT HAS BEEN ALLEGED THAT THE GOODS ARE BEING IMPORTED AT VALUES WHICH WOULD NOT BE ACCEPTABLE UNDER THE CUSTOMS ACT. THE INDUSTRY HAS REQUESTED REVENUE CANADA-CUSTOMS TO INVESTIGATE THE ALLEGATIONS."

4. COPY OF REPORT WILL BE POUCHED EUR/CAN (BLAKEMORE), EB/OTA (WESTON) AND COMMERCE, OTP (STOLER). ENDERS

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Message Attributes

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Disposition Approved on Date:
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
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